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Re-privatization and the revolution

Tragically, President Yushchenko has failed to deal with the issues of justice and re-privatization to the satisfaction of either his own Orange supporters or eastern Ukrainians

Anders Aslund's opinion article in the Post on Feb. 2 is not the first time he has opposed re-privatization in Ukraine. Aslund became a staunch critic of the pursuit of re-privatization early in May 2005 when he wrote "Revolution Betrayed" for the Washington Post. This came only two months into the Yulia Tymoshenko government and signified his break with Tymoshenko's economic and social policies dubbed negative for being "populist." This, alone, does not make such policies wrong.

Aslund's disillusionment with the Tymoshenko government was also influenced by its ignoring of the Blue Ribbon Commission report he had co-authored with the United Nations Development Program. Calling for a "new wave of reforms," the report was unveiled at the Carnegie Endowment after Viktor Yushchenko was inaugurated president. Oleksandr Paskhaver, president of the Kyiv-based Center of Economic Development and an advisor to Yushchenko, was one of the report's co-authors. Both Aslund and Paskhaver have been stern critics of re-privatization.

Speaking on joint panels at Washington think tanks, Aslund and I have held different views of Ukraine since the Orange Revolution. My approach has been to support and criticize both Tymoshenko and Yushchenko whereas Aslund has heaped all of his criticism on Tymoshenko while sidestepping President Yushchenko's own policy failures.

Only after my prompting at a panel at the conservative American Enterprise Institute in December 2005 was I able to draw out from Aslund some belated, mild criticism of Yushchenko. Aslund told the AEI that he did not believe that Tymoshenko would be prime minister again or that Orange Revolution unity would be reformed in the post-election parliamentary coalition. It became clear that Aslund would prefer a Party of Regions-Our Ukraine parliamentary coalition, perhaps with Volodymyr Lytvyn's participation. I have dubbed such a scenario as Kuchma-like, referring to its resemblance of political alliances that were loyal to the former president.

Heaping blame on Tymoshenko in the first year of the Orange Revolution is coupled with an unwillingness to understand the varied motives that drove Ukrainians into mobilizing in the Orange Revolution. Aslund is right to believe that re-privatization was not the only demand of the Orange Revolution. At the same time, to deny that this demand was absent would be also historically wrong.

On a visit to Washington this month, Interior Minister Yuriy Lutsenko said three political forces had a right to claim a part in the Orange Revolution: Our Ukraine, the Tymoshenko bloc and the Socialist Party of Ukraine. The Orange Revolution and Tymoshenko cannot be separated. Her fiery speeches were far better at mobilizing Ukrainians than Yushchenko's.

In Washington, Lutsenko repeated his earlier comments to the *Silski Visti* newspaper (Dec. 20, 2005) that the so-called Orange Revolution was "primarily an anti-criminal revolution."

Lutsenko repeated the exact same phrase during his Washington talks. Millions joined the Orange Revolution to protest the belief that "criminals stole their future."

The Orange Revolution was not driven by Ukrainians seeking to join the WTO, make Ukraine a safe place to invest, respect property rights or create a market economy. These issues were present in the Orange Revolution but they were not dominant.

All four democratic revolutions in Serbia, Georgia, Ukraine and Kyrgyzstan between 2000-2005 were driven by demands for justice and anger at the abuse of office by the ruling elites. Election fraud was merely the spark that ignited pent-up frustration.

To deny Tymoshenko's views on the question of justice is to ignore a major mobilizing factor in the Orange Revolution. Tymoshenko has outlined what she believed Ukrainians mobilized for – justice, fairness, an end to lies and for their voices to be heard.

In surveys, Ukrainian respondents understand questions relating to corruption as referring to high-level abuse of office. These views tie in with the commonly held view that individuals only enter politics to fulfill corrupt ends and not to defend the interests of voters.

Disappointment in the struggle against corruption is understood as the Yushchenko administration having not pursued the Orange Revolution slogan of sending "Bandits to Prison!" During the Orange Revolution no one attempted to define who these "bandits" were, but, most commonly, they were understood to be senior-level officials in the Kuchma administration and Kuchma himself.

Frustration is felt because only lower- and medium-level officials were charged and imprisoned in 2005, as in the Kuchma era. Meanwhile, not a single senior official has been charged, a major source of disillusionment in the Orange camp.

The manner in which re-privatization and justice was dealt with in 2005 was poorly handled by both Yushchenko and Tymoshenko. Yushchenko failed to quickly end the debate between those opposed to re-privatization and those in favor, allowing it to drag on throughout 2005. Yushchenko was abroad more than at home. Yushchenko was, however, let down by Tymoshenko's emotional responses to policy issues and her unwillingness to not air disagreements publicly.

Aslund is correct to argue that "it would be unreasonable to expect re-privatization to be more corrupt than initial privatization." This should not, however, be treated as an

excuse for diametrically shifting from perceived mass re-privatization, a policy commonly attributed to Tymoshenko, to no privatization, as proclaimed by her replacement, Prime Minister Yuriy Yekhanurov. Yekhanurov and Aslund are ideologically close in not seeing the need, like Paskhaver, for any re-privatizations, including the two that have been undertaken.

Yushchenko, meanwhile, has forgotten to explain to Ukrainians why he needed to remove the Tymoshenko government and to explain why justice had been served with only two re-privatizations; after all, in spring 2005, he claimed there was a list of 30 companies which were to be reviewed for possible re-privatization.

To argue that re-privatizations should not be undertaken because the courts are corrupt has consequences in other areas. Does it also mean that the so-called bandits should not be put on trial because the courts will not be able to guarantee them a fair trial?

The other element of this debate is that attitudes towards oligarchs and corruption differ regionally in Ukraine. Surveys show there to be a hard core of 23-25 percent opposed to anything Orange. Other Ukrainians will vote for Regions of Ukraine to exact revenge for what they see as a stolen victory in 2004. And they don't have a problem with the leader of that bloc, Viktor Yanukovich, who has an alleged criminal background, nor the inclusion of oligarchs, such as Rinat Akhmetov. Eastern Ukrainian voters either do not believe criminality to be an important issue, or this issue is overshadowed by their dislike of anything Orange.

Re-privatization is a complicated issue tied to emotional and subjective factors, such as demands for justice and anger at the so-called mafia – criminal elements running the country during the 1990s. These attitudes have to be taken into account, particularly in an election year.

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